

Media Release

MeGroup secures new manufacturing projects and grows Mitsubishi portfolio with second dealership

- **Manufacturing business secured new projects for production in 2021 – 2022**
- **Awarded second Mitsubishi dealership outlet, operations expected to commence in Q3 of calendar year 2021**
- **Reappointed by new Peugeot distributor, to continue operating dealerships under the Peugeot brand**
- **Appointed new Independent Director with extensive experience and deep knowledge of the Industrial sector**

Singapore, 25 January 2021 – SGX-Catalist listed **MeGroup Ltd.** (“MeGroup” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce that it had secured new manufacturing projects from a new automotive customer as well as existing customers. At the same time, the Group was also awarded a letter of offer from Mitsubishi Motors Malaysia Sdn. Bhd. (“Mitsubishi Motors”), the official distributor of the Mitsubishi Motors brand of automobiles in Malaysia, to establish and operate a second 3S automobile dealership under the brand.

The Group’s Manufacturing business continues to make inroads by securing a new customer whose brand name is widely known in the automotive industry. Furthermore, MeGroup had also secured several new manufacturing projects from its existing customers, for production to commence in 2021 – 2022.

“We are heartened to be able to secure these projects for our Manufacturing business, and are also encouraged by the trust our customers have placed in us. As we continue to deliver top-quality products with affordable value, we hope to also secure other new automotive customers to add to our portfolio,” commented **Ms Carol Wong, Executive Director of MeGroup Ltd.**

On the Dealership front, the Group was awarded its second Mitsubishi Motors dealership outlet, with the showroom to be located at Bandar Bukit Raja, Selangor, Malaysia. The new outlet is expected to commence operations in the third quarter of the 2021 calendar year. A 3S dealership comprises the sale of automobiles, after-sales services, as well as sale of automobile parts and accessories.

With the latest Mitsubishi Motors addition to the dealership portfolio, MeGroup now has 10 dealership outlets under six brands – Ford, Honda, Hyundai, Mazda, Mitsubishi and Peugeot.

Additionally, the Group was reappointed by a new Peugeot distributor, Berjaya Auto Alliance Sdn Bhd (“BAASB”) to continue operating the Group’s three existing Peugeot dealership outlets. BAASB replaces a previous Peugeot distributor.

Mr Jeffrey Wong, Head of Growth and Expansion, Head of Dealerships of MeGroup Ltd. said: “To be awarded the rights to operate a second Mitsubishi outlet is extremely wonderful news to us given the challenging environment we are currently operating in. On top of that, we have also been reappointed by a new Peugeot distributor, allowing us to continue operating our three dealerships under the Peugeot brand. This proves that MeGroup remains a reliable and trustworthy company to our brand principals. This working relationship is the most important aspect of our business and is the foundation of the growth of our business. We will continue our momentum and efforts in the Dealership segment to add more brands and outlets to our growing portfolio.”

Separately, on 31 December 2020, the Group had also announced the appointment of a new independent non-executive director, Mr Chong Kwea Seng. Mr Chong brings with him a multitude of experience and knowledge from the Industrial sector, having been Managing Director of Sime Darby Industrial prior to assuming various Board of Director roles with a variety of companies in Malaysia. He also has well-established business connections with many world-renowned brand principals such as CAT (Caterpillar Inc), GE Oil & Gas, FIAT, Kubota, Mitsubishi and Sakai. During his tenure with Sime Darby Industrial, he also oversaw the company's business unit in China, where he was actively involved in the growth strategy there, opening branches every month in eight different provinces.

Mr Wong Cheong Chee, Executive Chairman and Chief Executive Officer of MeGroup Ltd.

remarked, "We are pleased to welcome Mr Chong to our Board of Directors. We no doubt believe that Mr Chong will be able to offer valued guidance given his prior working experiences at Sime Darby. We look forward to working with Mr Chong and benefit from his contributions to our Board, to guide MeGroup forward in the current challenging business environment to strive to be a leading manufacturer and dealer in the automotive sector.

Despite the headwinds we faced in 2020 due to the Covid-19 pandemic, we remain strong and steadfast in our business operations. Aligning ourselves to government recommendations and implementing strict health and safety measures within the Group have allowed us to keep our operations running smoothly," added Mr Wong.

Industry outlook

Malaysia has undergone a second national lockdown after a series of continued spikes in the number of Covid-19 cases. The movement control order ("MCO") 2.0 will last for four weeks from 22 January 2021. The country is also currently in a state of emergency, effective from 11 January 2021 to 1 August 2021. Under the new MCO2.0, manufacturing is one of five broad sectors that can continue business operations albeit under stricter health and safety regulations.

Given the latest wave of infections in Malaysia, demand for cars may be muted due to lower market confidence and sentiment. However, the Malaysian government has further extended the sales and services tax (“SST”) exemption period for all cars until the end of June 2021, which the industry hopes will boost car sales for the year.

MeGroup is poised to ride through the second lockdown as it had already implemented several health and safety measures that are in line with government regulations from country’s first national lockdown in March 2020, in both its Manufacturing and Dealership businesses. The Group’s dealership outlets will remain open throughout MCO2.0 but expects the environment it operates in to continue to be challenging. MeGroup will continue to look out for suitable opportunities and secure manufacturing projects to remain resilient and sustainable in the coming year.

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About MeGroup (<https://me-grp.com/>)

MeGroup Ltd. is a trusted component manufacturer and dealer in the automotive industry.

Under its Manufacturing business, MeGroup specialises in manufacturing 'noise, vibration and harshness' ("NVH") and non-NVH components primarily for the automotive industry in Malaysia. It had also diversified into supplying NVH components to Johnson Controls Hitachi, a heating, ventilation and air-conditioning ("HVAC") manufacturer.

Under the Group's Dealership business, MeGroup owns and operates i) three Peugeot dealerships; ii) two Honda dealerships; iii) one Mazda dealership; iv) one Hyundai dealership; v) one Ford dealership; and vi) two Mitsubishi Motors dealerships in Malaysia.

MeGroup maintains long-standing partnerships with its manufacturing customers and is an Approved Supplier to Proton, Perodua, Honda, Mazda, another major carmaker, and Johnson Controls Hitachi. The Group also has established relationships with its dealership principals.

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This press release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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